

**Buying a used airplane with a fresh annual or fresh overhaul does not necessarily mean you're getting a good deal. It may mean you're buying into something that needs more work than you can imagine.**

By [Rick Durden](#) | October 24, 2015

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It's a sad law of aviation that while we like to think of pilots as honest, upstanding citizens, when it comes to selling airplanes, an unpleasantly high proportion suddenly turn into snake-oil salesmen. I've seen way too many airplane-shaped piles of junk marketed by pilots piously claiming they are in perfect shape. Sadly, some of those owners have been able to rope a mechanic in on their game because the airplane is

advertised as having a “fresh annual.” As I’ll explain, if you’re looking to buy an airplane, when you see one advertised with a “fresh annual” or “fresh overhaul,” it’s a red flag. If you pursue the airplane, be very, very careful.

Among the more common AVweb reader letters that get forwarded to me are from pilots who have bought an airplane with a fresh annual as part of the deal and either something expensive failed within months, when it went into the shop for a refurb all sorts of horrible things were discovered or it wouldn’t pass its next annual because it had illegal parts installed or there are extensive, and expensive, repairs needed. They thought they’d gotten a good deal on an airworthy airplane, only to discover, in some cases, that they were just lucky it kept flying long enough to make it to its first visit to the shop.

Airplane buying, like life, is a test. There are no free lunches. You aren't going to get a great deal on an airplane five states away that is for sale at a cheap price. If it were so great, the locals would have snatched it up. No seller is going to make you a great deal because he likes the way you part your hair.

## "Fresh" Annual

Let’s be objective—you want to spend as little on an airplane as possible while the seller wants to sell it to you for as much as possible. The seller is as big a tightwad as you are. He knows you're thinking that because it has a fresh annual—even if it isn't perfect—the airplane is "legal" for a whole year, so you won't have to put anything into it. You'll be able to let the minor stuff go, so you'll fly cheap. Good grief, do you clap for Tinkerbell? There aren't any cheap airplane fairies in this world. If you were about to sell your airplane and you had an annual done, would you tell the mechanic to fix any of the squawks? That's right: Only if they involved big pieces falling off; otherwise, hell no. So, what are you buying? Massive squawks on an airplane that was probably signed off illegally. Yes, you just might be able to fly it for a year, "legally," because of the signature in the logbook. But are you willing to put your family into that machine? Do you have any idea how many "legal" airplanes have had catastrophic mechanical failures in flight? Unless you know the mechanic and watched the annual, you may be making one of the most irresponsible decisions of your life.



Just how good was this "fresh annual" the airplane comes with?

## "Fresh" Overhaul

It's the same concept in the fresh engine overhaul, only worse in practice. What was done on the overhaul? Who did it? What was replaced? To what tolerances? How many engines overhauled in anticipation of sale make it to TBO? You say you are only planning to put 500 hours on it before you sell it, so you'll be OK, right? Next question: How many of those engines even make 300 hours before they need cylinders? How many fail catastrophically at 40 hours? As I said, if you were doing an overhaul to sell the airplane, how much would you pay for it knowing you absolutely cannot get the full cost of a good overhaul back on the sale price?

I don't know an experienced airplane buyer who will buy an airplane with a freshly overhauled engine unless he has a lot of information about it, and then he'll negotiate the price down a long ways because he knows the odds are he's going to be putting several thousand bucks into that engine, soon. The smart ones either buy mid-time engines that show good compression, have an oil analysis history and look good through a borescope, or they buy airplanes with run out engines and have them overhauled the way they want so they can break them in right. Which reminds me: If that "fresh overhaul" has over two hours or so on it, how can you be sure it's been broken-in correctly?

## The Rules For Buying Used Haven't Changed

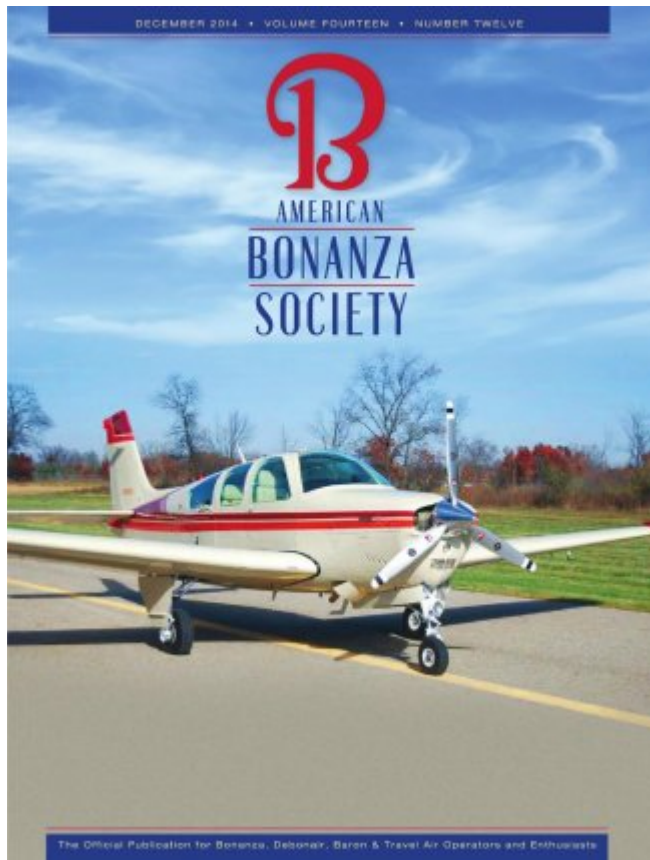
Even though the Internet has meant there are more varied ways to go about selling airplanes and it's generally easier for prospective buyers to quickly get information on an airplane, it has also allowed those pushing junk to lure in and take advantage of an unsophisticated buyer. The time-tested rules of buying a used airplane have not changed. They involve the most basic forms of buyer beware and require that the prospective buyer operate with an internal checklist that is spring-loaded to walking away from a deal—the default position for each step of the aircraft buying process being "no" with hard evidence being required to change that item on the checklist to "yes."

## Set Aside

Set aside 25 percent of your airplane budget for the stuff that is going to break or that you'll want to replace during the first year of ownership. I'm not kidding—no matter how careful you are in your purchase, it will be just barely enough. If you are not careful in your purchase it won't even come close to being enough.

Do this before you start airplane shopping.

## Owner Organizations



Owner organizations can be a gold mine of information.

Early on, join the owners or users organization for the type of airplane and get everything you can on what to look for when buying one of the type—and potentially find a mechanic who can do the pre-buy examination when the time comes.

## Pictures

In the world of cellphone cameras, the seller should be able to swamp you with current photos of every portion of the airplane. If not, or if there is some portion of the airplane that the owner doesn't (or won't) photograph, keep looking. If you assume the owner is hiding something, you won't be unpleasantly surprised if you spend the money to go look at the airplane.

## Logbooks

There should be no hesitation about providing all of the logbooks for the airplane (although not all owners have digital copies). If you get to the point of going to see the airplane and the owner suddenly can't produce the originals of all the logs, it's a deal killer.

For many reasons, not all airplanes have a full set of logbooks. That fact should be disclosed by the seller up front. A general rule of thumb is that missing logbooks drop the value of the airplane by 10 to 20 percent, largely because it reduces the pool of potential buyers. Missing logbooks are by no means a deal killer. The absence may mean a little extra work to assure that there is full AD compliance and to determine if there is a damage history and the repairs were carried out appropriately. It also means going into the purchase with your eyes open as the missing logs will affect your ability to sell the airplane later.

## **The FAA File**

Part of your due diligence as a potential buyer is to get the full FAA file on the airplane—it includes all Form 337s (major repair and alterations), the ownership history and the history of liens (and their releases). I don't know how many times I've found evidence of damage and repairs to airplanes only from the Form 337s in the file—nothing was noted in the logbooks. In some cases that has led to a more determined look at the logbooks and a discovery that a page had been carefully razored out in an attempt to hide a damage history. To this day, I don't know why aircraft and engine logbooks don't have page numbers—it would be a simple way to help detect that a page has been removed.

If the airplane has a lien or liens on it, do not close any sale until you have positive evidence that all liens have been released. Every once in a while I'll get a call from an aircraft owner who is being pursued for payment on a lien that's 20 or 30 years old. Usually it was from a loan made by a bank or savings and loan that went under and its assets were bought by another bank. Some young new hire in the loan department of the current bank had been assigned to go through old records and find out if there are any uncollected loans and came upon an unpaid (or unreleased) loan from years back and traced down the current owner for payment. It's a huge—and often expensive—pain in the whatsis for the current owner. The records say the airplane was collateral for an unpaid loan and the bank wants its money or the airplane.

Any unreleased lien on an airplane you are buying is a deal killer. Walk away.

## **Pre-Buy Examination**

If you intend to buy an airplane, have a mechanic that you select, who knows the type, do a pre-buy examination of the airplane. That's an absolute. No exceptions. It may cost you a bit to have your mechanic travel to the airplane, but it's worth every cent.



A pre-buy examination means taking time to open up the airplane and look things over.

Sellers often offer to have their mechanic or another local do a pre-buy for you. Almost every time I've been approached by a buyer to sue a seller over issues with an airplane sale, the pre-buy (if one was done at all) was done by the seller's mechanic. (In one memorable situation, the buyer said the seller had done a pre-buy for him—yet the receipt prepared by the mechanic for the fee paid to him by the buyer showed that the mechanic had only done an oil change.)

A pre-buy will usually take a full day for a single, longer for a twin. My usual procedure is to ask that the mechanic tell me immediately if she or he finds anything big so we can call a halt to the process early if we hit something that may be a show-stopper.

The pre-buy should include a borescope exam of the cylinders as well as an oil analysis. Sure, that means a couple of days to get the results, and oil analysis is really trend monitoring, however, it will save you a lot of money if it turns up a mass of metal in the oil. I've had pilots tell me that they walked away from sales when draining a bit of oil revealed easily visible chunks of metal.

## **Missing or Swapped Components**

If something is on the equipment list for an airplane you are considering, it must be in the airplane. At a very basic level, that includes the tow bar and baggage net. If there is an empty or plugged instrument hole—for instance, the equipment list says the airplane has a carb temperature gauge and there is no 337 for its removal—the gauge has to be there or a 337 has to be filled out. Some sellers don't seem to understand that if the prop on the airplane isn't of the sort approved on the Type Certificate Data Sheet, the airplane is not airworthy. Don't agree to buy an airplane that isn't airworthy because it has unapproved parts on it. You may be the one who comes up against buyers who weren't as foolish as you were, and discover that it's unmarketable unless you can find another sucker. And, in doing so, your sucker may turn around and sue you for fraud because you knew the airplane was illegal and didn't disclose it.

Also, make sure that the radio serial numbers match the logbooks. One theft technique is to pull radios out of one airplane, put them into another airplane with the same model avionics and then take the ones out of the second. The first owner reports the theft, with serial numbers. The second owner doesn't report anything because he doesn't notice the swap. Naturally, the reported radios are never found and the ones out of the second airplane are not the source of any search.

## Broken Equipment

I was involved in an airplane sale where the owner was most indignant that the buyer wouldn't pay the agreed price unless everything worked. The Hobbs meter and oil temperature gauge weren't working. The buyer got a quote for repairs and wanted to deduct that from the sale price. The seller said that since he never used either item, he shouldn't have to cut the price. It was only when the buyer said he'd walk away that the seller made the price reduction.

As the FAA points out, if it's on the airplane, it has to work or be disabled and placarded. It's pretty silly to buy an airplane in which something doesn't work. Murphy's Law says that a bunch of stuff is going to break after you get it, so why start in the hole? Do not ever agree to buy an airplane unless everything works or unless you get a price break because of repairs that have to be made.

## New Paint



Don't let a great paint job distract you, a pre-buy exam should include a borescope inspection of the engine and hard-to-get-at portions of the airframe.

A decent, inexpensive paint job usually pays for itself when selling an airplane. We humans, especially males, are very visual and react well to something that is attractive. If the logs show the airplane was painted for the sale, be suspicious and see what it was intended to cover. Your mechanic can spot where the shop went cheap, and you two should look for attempts to hide that killer of older airplanes, corrosion. Its better to shop for an airplane that has a paint job that is a couple of years old, rather than brand-new.

## Conclusion

The Internet has helped buyers rapidly find airplanes as well as unscrupulous sellers come up with more ways to try to unload lemons disguised as trophy pieces P.T. Barnum may be long dead, but he continues to be proven right on a daily basis in the used airplane sales world. Despite improvements in information technology, the rules of buying a used airplane haven't changed:

Set aside 25 percent of your airplane-buying budget for the things that will break in the first year after you buy the airplane.

Join the owner's association and get all the information you can before searching.

Don't ever buy sight-unseen.

Get the chain of title and 337s before you commit to anything.

Be suspicious of anything that smacks of a seller who is the least bit hesitant to disclose everything about the airplane.

Have your mechanic do a pre-purchase examination and make any sales agreement subject to a pre-purchase examination.

Don't get so emotionally involved with one airplane that you can't walk away.

*Rick Durden is an aviation attorney and aircraft owner who holds an CFII and ATP ratings with type ratings in the Douglas DC-3 and Cessna Citation and is the author of the recently released Volume 2 of [The Thinking Pilot's Flight Manual or, How to Survive Flying Little Airplanes and Have a Ball Doing It, Vols. 1 and 2.](#)*